

# Executive Steering Committee

May 03, 2024

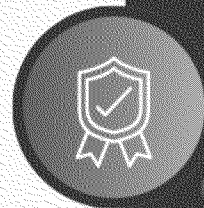




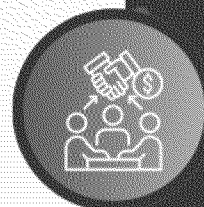
# AGENDA



**Budget Journey Progress**



**Airline Gating Recommendation**



**AULA Update**

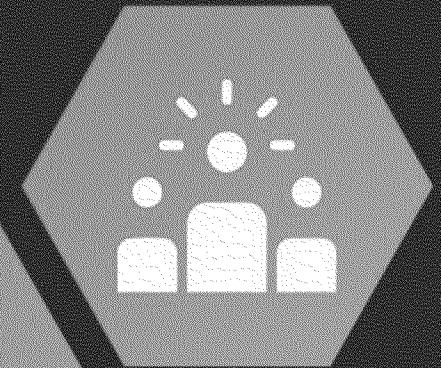
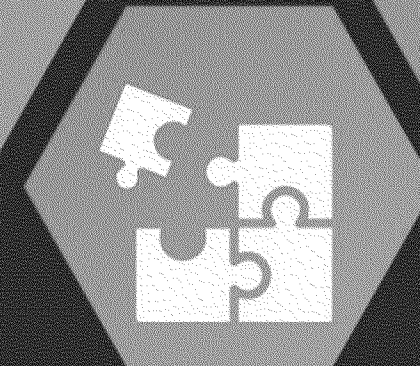
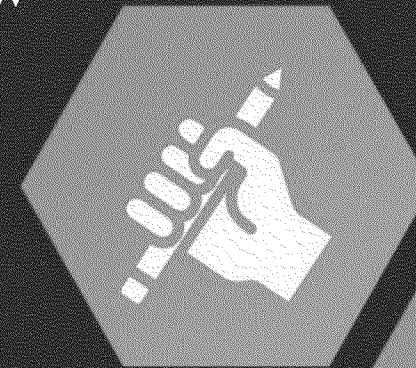


# Budget Journey



# Objective

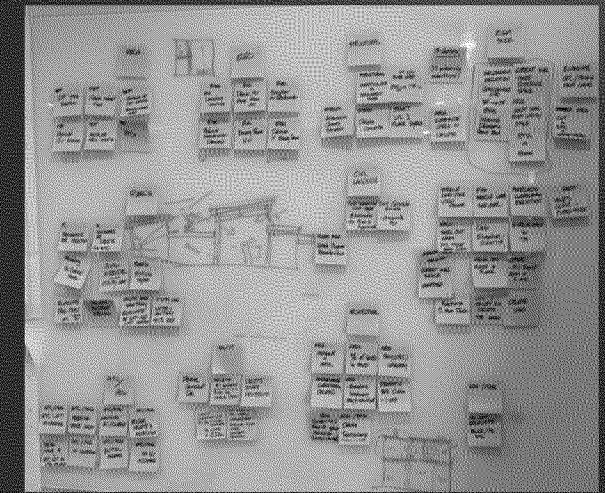
- 01 Validate/Vetting/Reconciliation of the TDP Estimate versus CMAR Pricing Model/Estimate
- 02 Identify strategic opportunities that allow for budget reduction options
- 03 Understand the owner's priorities





# Steps Completed

March 26- CMAR Proposal Received



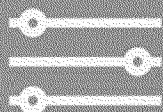


# Opportunity Categorization

Opportunities identified in work sessions were categorized into three sections:



Right-sizing/  
Area Reduction



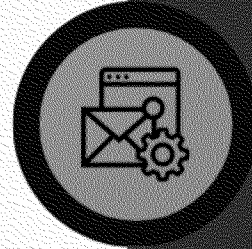
Revision/Refinement/  
Alternatives



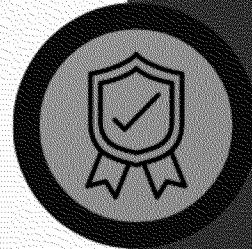
Scope Reduction/  
Deletion



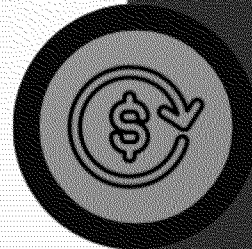
# Budget Scorecard – Defined



Collects and categorizes indentified design and scope refinements



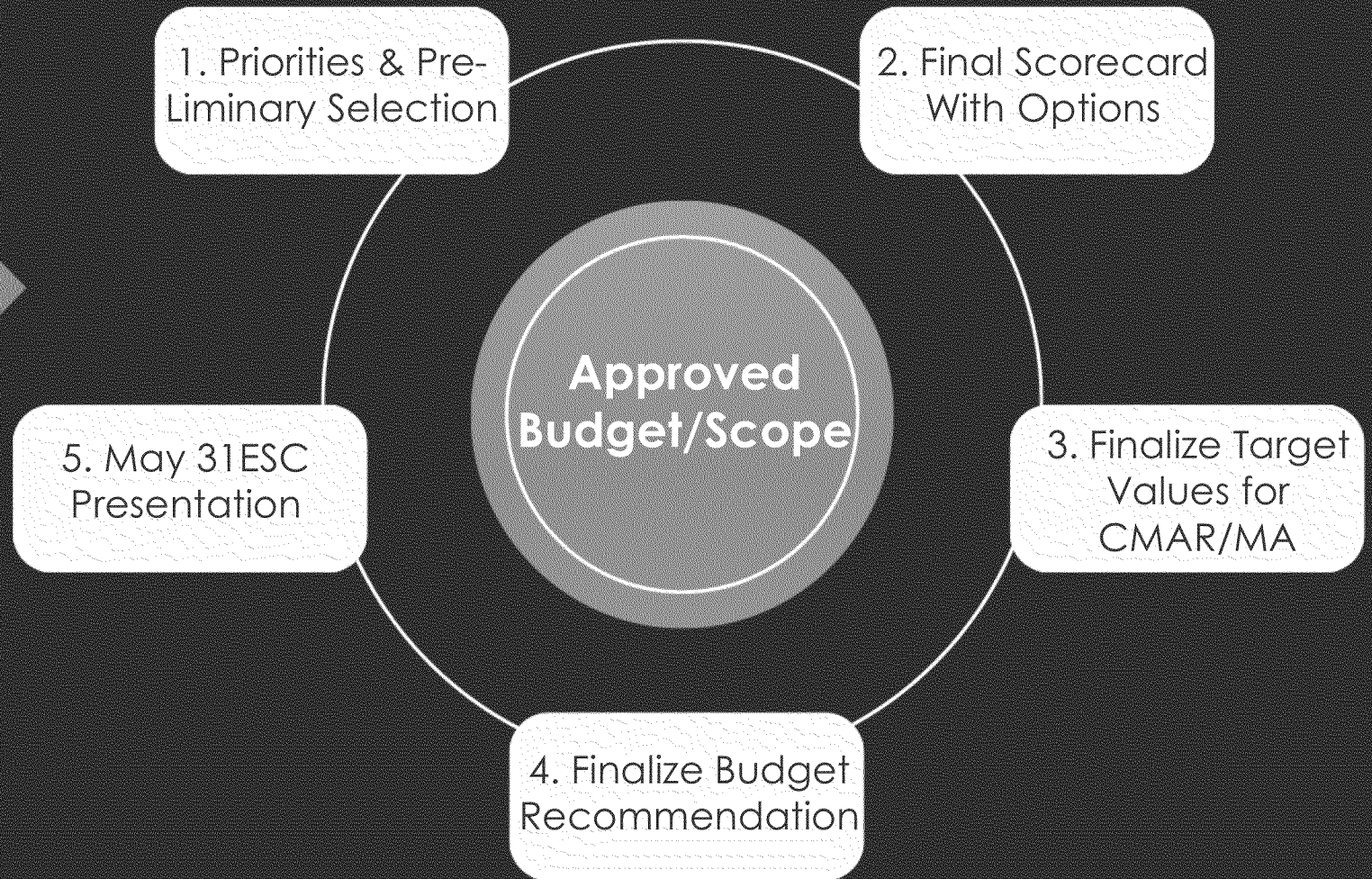
Identifies and validates recommended Options 1 thru Option 4



Illustrates budget variance for each option versus the aproved budget and PDM



# Next Steps >>





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# Airline Gating Recommendation



# Recommendation Strategy

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graph TD; A[Recommendation Strategy] --> B[Legal Opinion]; A --> C[Financial]; A --> D[Master Architect];
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**Legal Opinion**

**Financial**

**Master Architect**



# Legal Discussion





# RELOCATION SAVINGS

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Savings would occur if relocating two airlines vs other options that require relocating four airlines

## MINIMUM \$9M IN ACTUAL COSTS

- \$2M savings in relocation costs for holdrooms and offices
- \$7M savings in relocations costs for United Club

## ADDITIONAL CONSIDERATIONS

- Significant savings in capital costs due to not having to “bump out” terminal A for United Club
- Simplifies phasing post DBO



# Executive Summary

## GOAL OF THIS EFFORT

- Develop airline gate allocation for SAT based upon information from ATR
- Validate demand can be balanced, and facility requirements met across all terminals:
  - Terminal
  - Curbside

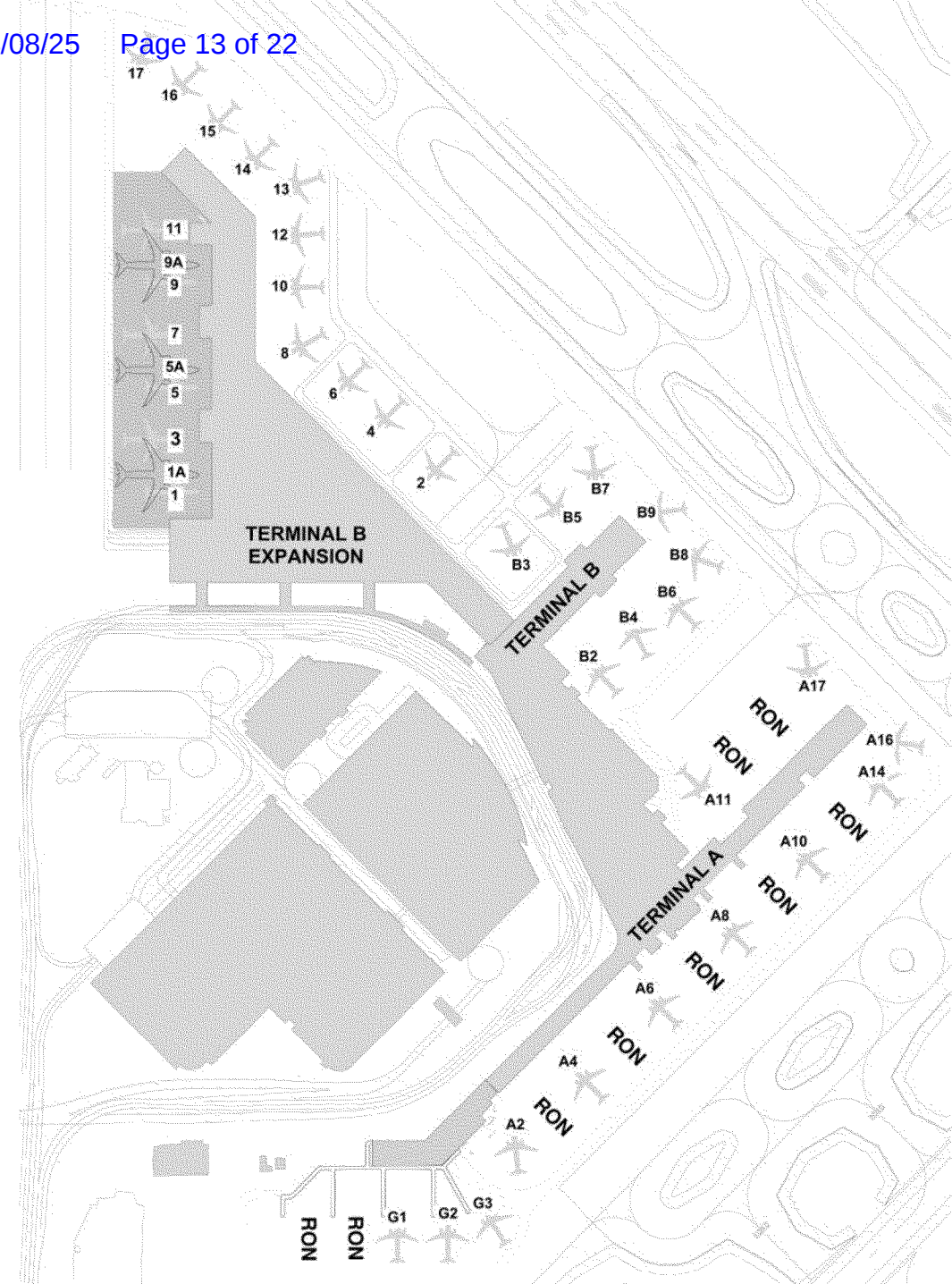
## CONSTANTS FOR ALL OPTIONS

### Terminal

- Assumes that new Terminal is referred to as Terminal B Expansion
- Combined check-in hall capacity is sufficient to meet future demand
- Existing Terminal A SSCP has sufficient capacity for Terminal A demand in all options
- Existing Baggage Claim in Terminal A and B have sufficient capacity

### Curbside

- GTC is needed for opening day in all scenarios
- Sufficient departures curbside capacity for PAL 2 (2030) minimal operational changes for PAL 4 (2040)
- Inner and outer curb needed on arrivals to accommodate PAL 4 (2040) demand
- Terminal B curb is constraint for all options





# Facility Requirements

## GATE COUNTS – as of ATR options received

- American Airlines - 6 gates
- Delta Air Lines - 5 gates
- Southwest Airlines - 10 gates
- United Airlines - 5 gates (previously 6 gates)
- Spirit Airlines - 1 gate (previously 0 gates)

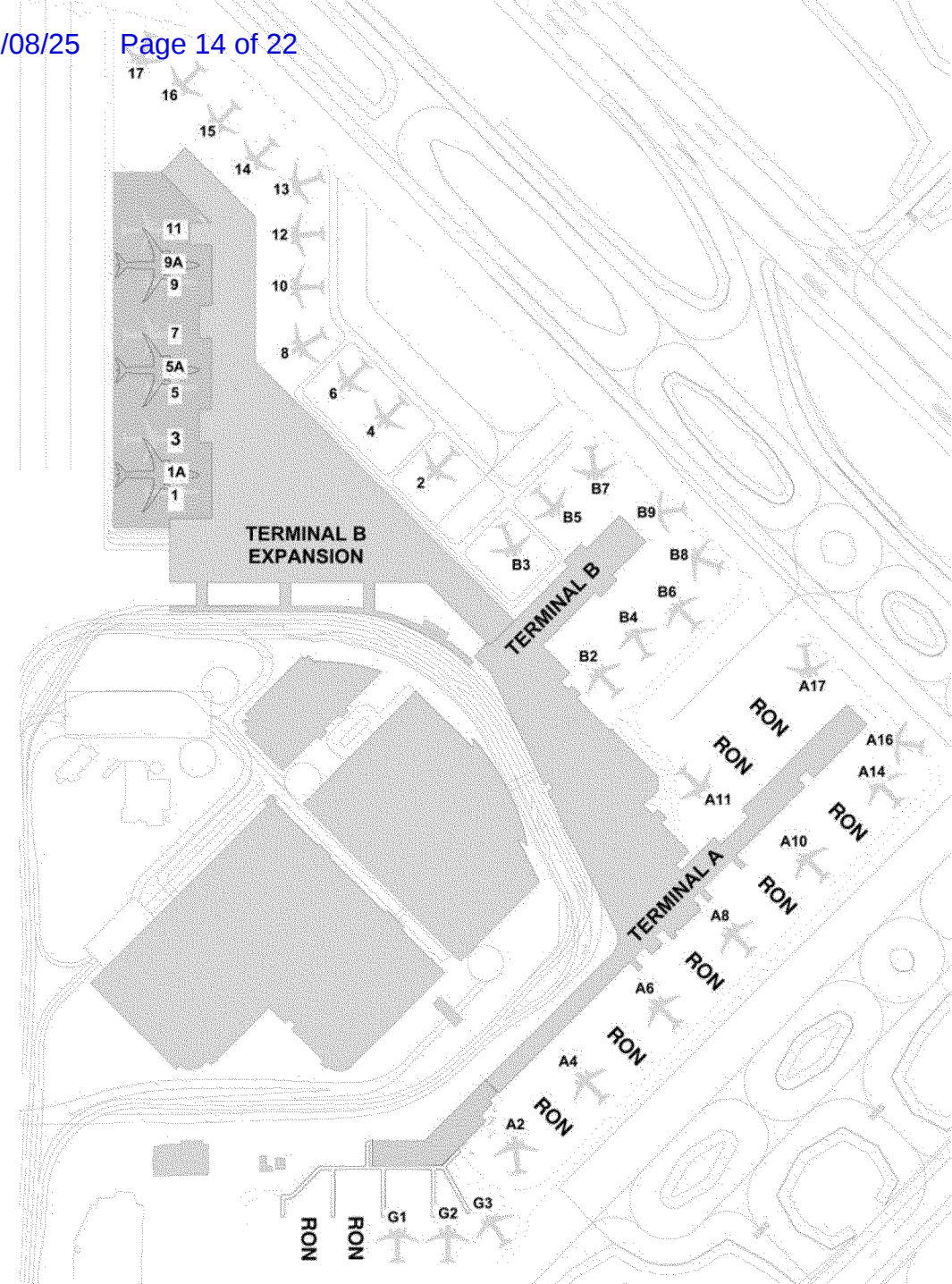
## AIRLINE LOUNGES - as of ATR options received

- American Airlines - 6,000 SF
- Delta Air Lines - 10,000 to 13,000 SF (previously 15,000 SF)
- United Airlines - 4,000 SF (previously 5,000 SF)

## CHECK-IN HALL – Airline Terminal Space Requests received

### American Airlines -

- 13 agent positions + 14 kiosks
- Delta Air Lines
  - 12 agent positions + 8 kiosks
- Southwest Airlines
  - 18 agent positions + 18 kiosks
- United Airlines
  - 14 agent positions + 12 kiosks





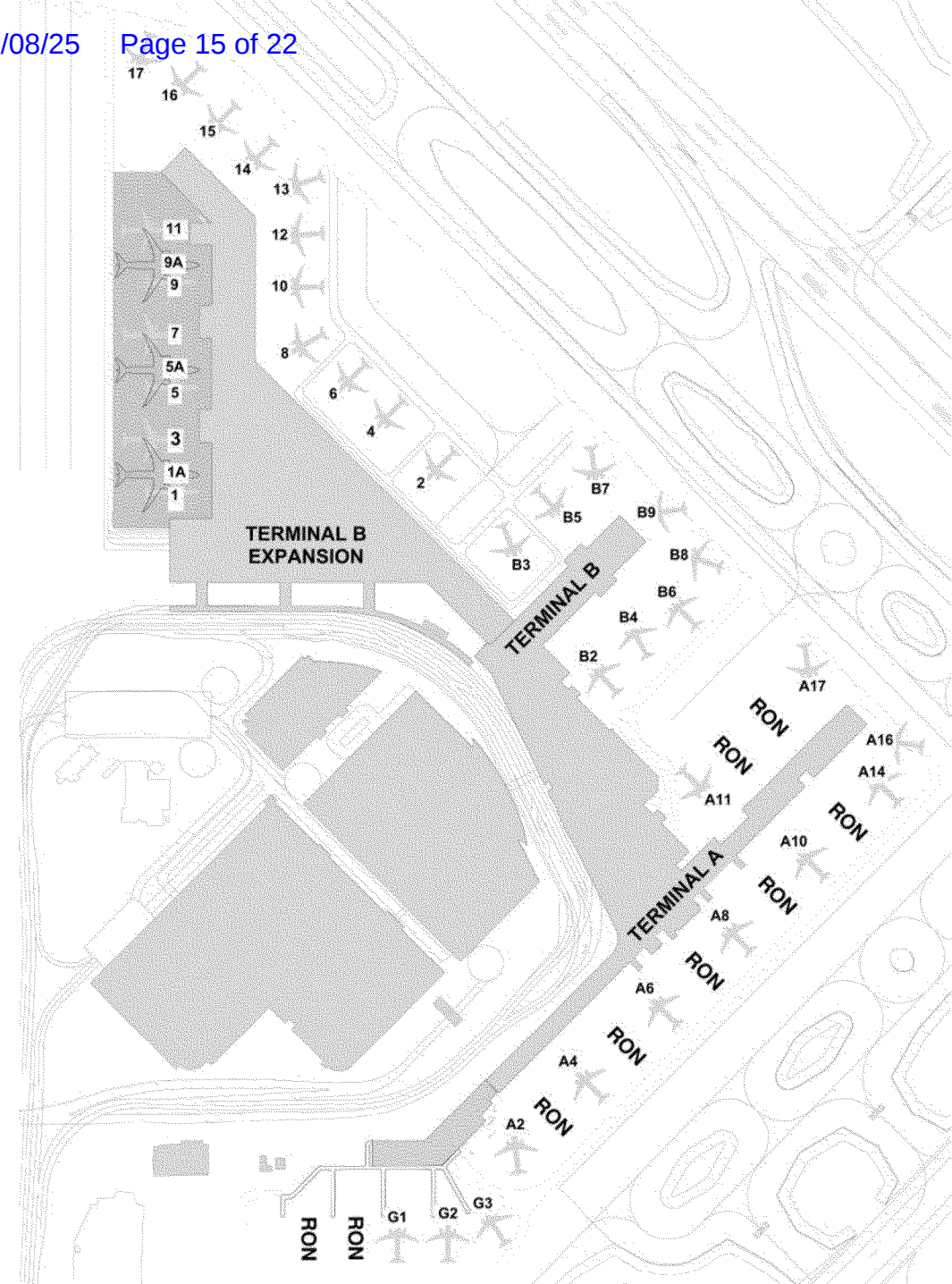
# Master Architect Recommendation

## CURBSIDE

- Construct GTC and retained inner & outer curbsides at arrivals level
- GTC is required to handle TNC and shuttle demand. GTC will provide good LoS throughout the peak hour for both PAL 2 (2030) and PAL 4 (2040) vehicle demand.
- Retaining inner and outer curbsides is critical as it provides the most curb frontage, resulting in better LoS.

## TERMINAL

- Combined check-in hall capacity is sufficient to meet future demand
- Existing Terminal A SSCP has sufficient capacity for Terminal A demand in all options
- Existing Baggage Claim in Terminal A and B have sufficient capacity
- Relocate FIS to the Terminal B Expansion





# Master Architect Recommendation

## AIRSIDE

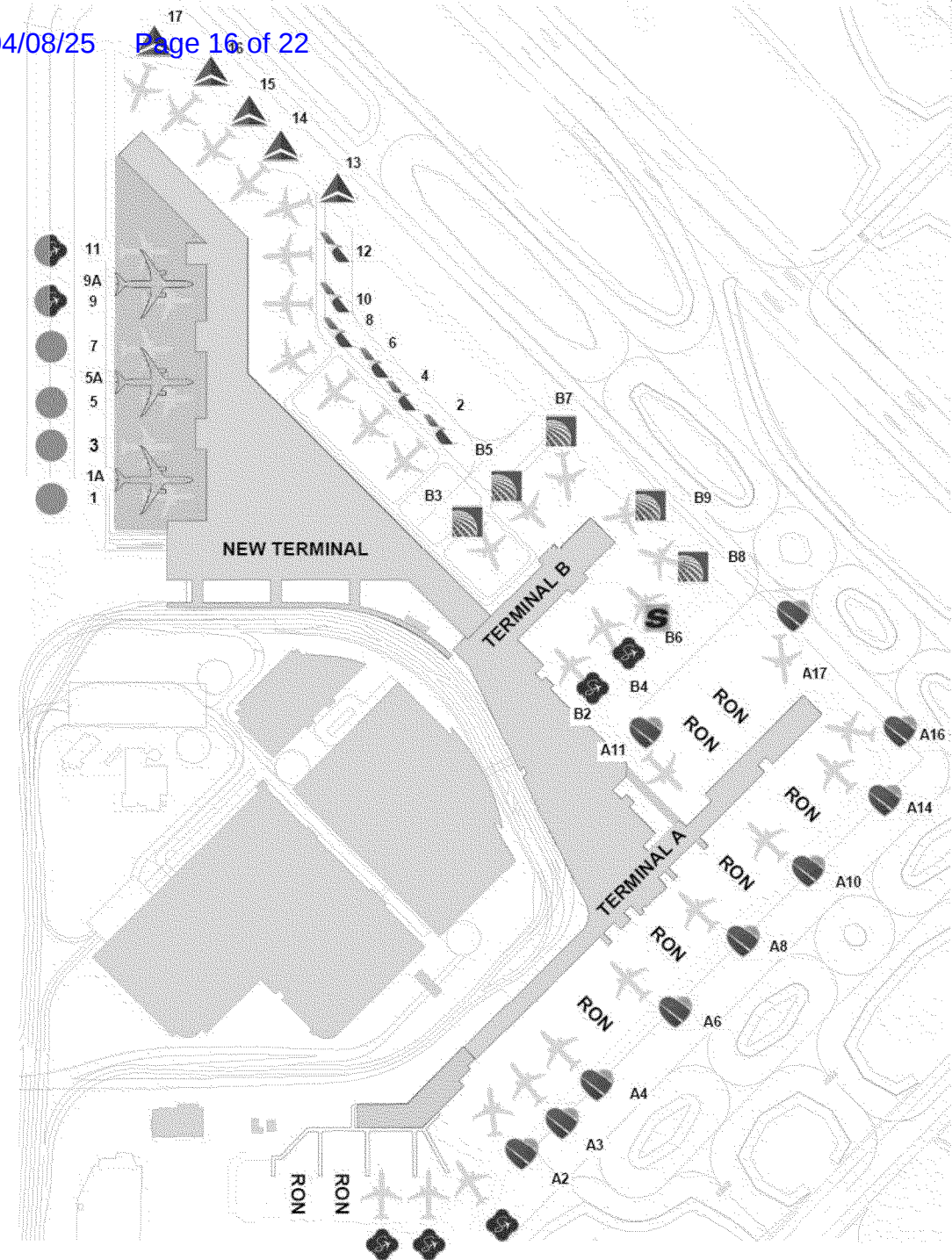
- Pros:
  - No split operations for signatory carriers
- Cons:
  - Non-signatory domestic OALs may have split operations

## TERMINAL PROCESSING / PASSENGER EXPERIENCE

- Pros:
  - Large club spaces in Terminal B Expansion
  - Delta able to provide direct access for some gates from potential lounge
- Cons:
  - Non-signatory domestic OAL require additional check-in counters constructed in Terminal B

## CURBSIDE

- Pros:
  - Terminal B Expansion arrivals curbside operates at LoS B for PAL 2 (2030)
  - Terminal A arrivals curbside operates at LoS B for PAL 2 (2030)
  - Existing Terminal B arrivals curbside operates at LoS C for PAL 2 (2030)
- Cons:
  - Terminal B Expansion arrivals curbside operates at LoS D for PAL 4 (2040)
  - Terminal A arrivals curbside operates at LoS D for PAL 4 (2040)
  - Existing Terminal B arrivals curbside operates at LoS E for PAL 4 (2040)





# Gating Scorecard

## Gating Scorecard Worksheet

		American		Delta		Southwest		United	
Factor	Possible Points	Data	Awarded Points	Data	Awarded Points	Data	Awarded Points	Data	Awarded Points
<b>Number of Preferred Gates Requested</b>									
1-2 gates: 2pts, 3-4 gates: 3pts, 4-5 gates: 4 pts, 6+ gates: 5 pts	5	6	5	5	4	10	5	6	5
<b>Airline Club Requested</b>									
yes: 7 pts, no: 0 pts	7	yes	7	yes	7	no	0	yes	7
<b>International Flights</b>									
yes: 5 pts, no: 0 pts	5	no	0	no	0	yes	5	no	0
<b>Relevant International Code Share(s)</b>									
yes: 4 pts, no: 0 pts	4	no	0	yes	4	no	0	no	0
<b>Current Epax Levels</b>									
4th quartile: 2 pts, 3rd quartile: 3 pts, 2nd quartile: 4 pts, 1st quartile: 5 pts	5		4		3		5		3
<b>Fit into SAT</b>									
Relates to desirability of passenger profile (business, leisure, mix, etc) and airlines brand position (network, ULCC, established, start-up, etc)	7		7		7		5		5
<b>Service, Growth, Experience</b>									
Split cabin, club experience, hub feed, growth potential viewed in light of HQ visit and commitment to club.	7		7		6		6		6
<b>Total</b>	40		30		31		26		26



# Next Steps

## ESC

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Confirm  
recommendation  
with ESC

## AIRLINES

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Individual meeting  
with airlines to share  
outcome

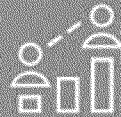


# AULA Update



# AULA UPDATE

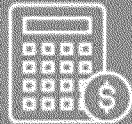
April 30: Airlines proposed a REVISED financial deal from their April 12 proposal



## Revenue Share

Tiers for revenue share:

- Cap an annual 1st tier
- Guaranteed revenue share to SAT at \$30M/yr @DBO to increase each year by 2%



## MII

Revise MII formula so that it would be based on terminal spend and not emplanements



## TDP Budget

Renewed their request that TDP be limited to \$1.4B gross



## Discussion:

No Items This Week

## Next ESC Meeting:

May 17, 2024

## TBD:

- NEPA Update
- Building Elevation
- Governance KPIs
- Delegation of Authority Process
- Air Service Strategy



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# Thank you!